



ADVICE LETTER SUMMARY

ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Clean Power Alliance of Southern California

Utility type:

☒ ELC ☐ GAS ☐ WATER
☐ PLC ☐ HEAT

Contact Person: C.C. Song

Phone #: 213 713 0363

E-mail: csong@cleanpoweralliance.org

E-mail Disposition Notice to: csong@cleanpoweralliance.org

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas WATER = Water
PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

March 25, 2022

Advice Letter (AL) #: 0017-E

Tier Designation: 2

Subject of AL: Clean Power Alliance of Southern California's 2020 Integrated Resource Plan Deficiency Remedy

Keywords (choose from CPUC listing):

AL Type: Monthly Quarterly Annual ☒ One-Time Other:
☐ ☐ ☐ ☐ ☐

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: Decision 22-02-004

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: N/A

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Confidential treatment requested? ☐ Yes ☒ No

If yes, specification of confidential information:

Resolution required? ☐ Yes ☒ No

Requested effective date:

No. of tariff sheets:

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

¹Discuss in AL if more space is needed.

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

Name: C.C. Song
Title: Director of Regulatory Affairs
Utility Name: Clean Power Alliance of Southern California
Address: 801 S. Grand Ave., Ste 400
City: Los Angeles
State: California Zip: 90017
Telephone (213) 713-0363
Facsimile
Email: csong@cleanpoweralliance.org

Name:
Title:
Utility Name:
Address:
City:
State: Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

Clear Form

ENERGY Advice Letter Keywords

Affiliate	Direct Access	Preliminary Statement
Agreements	Disconnect Service	Procurement
Agriculture	ECAC / Energy Cost Adjustment	Qualifying Facility
Avoided Cost	EOR / Enhanced Oil Recovery	Rebates
Balancing Account	Energy Charge	Refunds
Baseline	Energy Efficiency	Reliability
Bilingual	Establish Service	Re-MAT/Bio-MAT
Billings	Expand Service Area	Revenue Allocation
Bioenergy	Forms	Rule 21
Brokerage Fees	Franchise Fee / User Tax	Rules
CARE	G.O. 131-D	Section 851
CPUC Reimbursement Fee	GRC / General Rate Case	Self Generation
Capacity	Hazardous Waste	Service Area Map
Cogeneration	Increase Rates	Service Outage
Compliance	Interruptible Service	Solar
Conditions of Service	Interutility Transportation	Standby Service
Connection	LIEE / Low-Income Energy Efficiency	Storage
Conservation	LIRA / Low-Income Ratepayer Assistance	Street Lights
Consolidate Tariffs	Late Payment Charge	Surcharges
Contracts	Line Extensions	Tariffs
Core	Memorandum Account	Taxes
Credit	Metered Energy Efficiency	Text Changes
Curtailable Service	Metering	Transformer
Customer Charge	Mobile Home Parks	Transition Cost
Customer Owned Generation	Name Change	Transmission Lines
Decrease Rates	Non-Core	Transportation Electrification
Demand Charge	Non-firm Service Contracts	Transportation Rates
Demand Side Fund	Nuclear	Undergrounding
Demand Side Management	Oil Pipelines	Voltage Discount
Demand Side Response	PBR / Performance Based Ratemaking	Wind Power
Deposits	Portfolio	Withdrawal of Service
Depreciation	Power Lines	



March 25, 2022

California Public Utilities Commission
Energy Division
Attention: Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102-3298

CPA Advice Letter 0017-E

**SUBJECT: Clean Power Alliance of Southern California's 2020 Integrated Resource Plan
Deficiency Remedy**

In compliance with California Public Utilities Commission's ("Commission") Decision ("D.") 22-02-004, Clean Power Alliance of Southern California ("CPA") respectfully submits this Tier 2 Advice Letter ("AL").

PURPOSE

Commission's D.22-02-004, *Adopting 2021 Preferred System Plan*, issued on February 15, 2022, requires CPA to submit a Tier 2 AL and provide supplemental information for certification of its 2020 Integrated Resource Plan ("IRP"). Specifically, CPA is required to address the below deficient items:¹

- Preferred Conforming Portfolios: Provide a description of how the selection of resources in their 38 MMT preferred conforming portfolio is consistent with each relevant statutory and administrative requirement as described in Public Utilities Code Section 454.52(a)(1), as required by Section 3b of the Narrative Template.
- Focus on disadvantaged communities: Provide 1) a description of what disadvantaged communities it serves; 2) specific customers served in disadvantaged communities, along with total disadvantaged population number served, as a percentage of a total number of customers served, as required by Section 3d of the Narrative Template.

¹ D. 22-02-004 at pages 29-30.

BACKGROUND

Pursuant to Senate Bill (“SB”) 350, the Commission issued D.18-02-018 on February 13, 2018, to set IRP filing requirements for load serving entities (“LSEs”) and adopted a two-year planning cycle to set greenhouse gas (“GHG”) emission targets, conduct modeling analysis, and approve or certify IRPs filed by LSEs. The Commission subsequently updated the filing requirements in D.20-03-028 and directed LSEs to file their 2020 IRPs on September 1, 2020. LSEs were directed to file narrative templates, resource data templates, and Clean System Power calculators.

In D.22-02-004, the Commission determined whether LSEs’ IRPs were approved or certified and required those LSEs whose IRPs were found deficient to provide a supplement to their IRPs via Tier 2 ALs no later than April 1, 2022. As the Commission found the sections of CPA’s IRP on Preferred Conforming Portfolios and Focus on disadvantaged communities deficient, CPA submits this Tier 2 AL to address the deficient items.

PREFERRED CONFORMING PORTFOLIOS

CPA presented two Conforming Portfolios, one for the 46 MMT GHG target and another for the 38 MMT GHG target, for Commission approval or certification. CPA’s Conforming Portfolios are consistent with each relevant statutory and administrative requirement stated in PU Code Section 454.52(a)(1), as follows:

(A) Meet the greenhouse gas emissions reduction targets

Both Preferred Conforming Portfolios achieve emission targets that are below the GHG emissions benchmarks set by the Commission, which are based on the GHG emission reduction targets set by the California Air Resources Board for the electricity sector. The results are illustrated in the table below:

Metric	2030 GHG Emissions (46 MMT)	2030 GHG Emissions (38 MMT)
Emission Benchmark for CPA	1.785	1.417
CPA Portfolio 2030 Results	1.782	1.409

(B) Procure at least 60% eligible renewable energy resources

CPA’s 46 MMT Preferred Conforming Portfolio would result in 66% of load being served by eligible renewable resources. This is 6 percentage points above the RPS requirement of 60% by 2030. CPA’s 38 MMT Preferred Conforming Portfolio would result in 76% of load being served by eligible renewable resources, 16 percentage points above the RPS requirement of 60% by 2030.

As illustrated in the graphs below, both Preferred Conforming Portfolios will achieve the statutory renewable energy procurement goal.

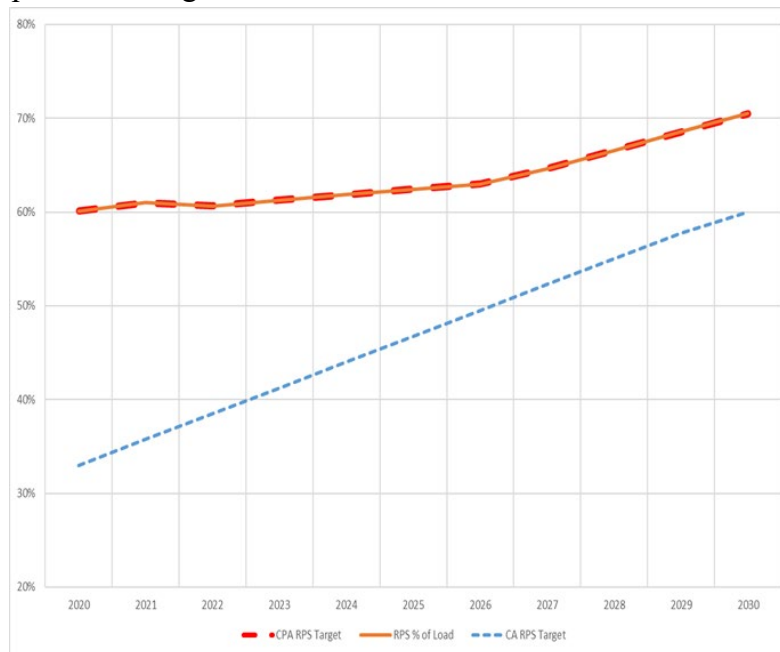


Figure 1: 46 MMT RPS Compliance

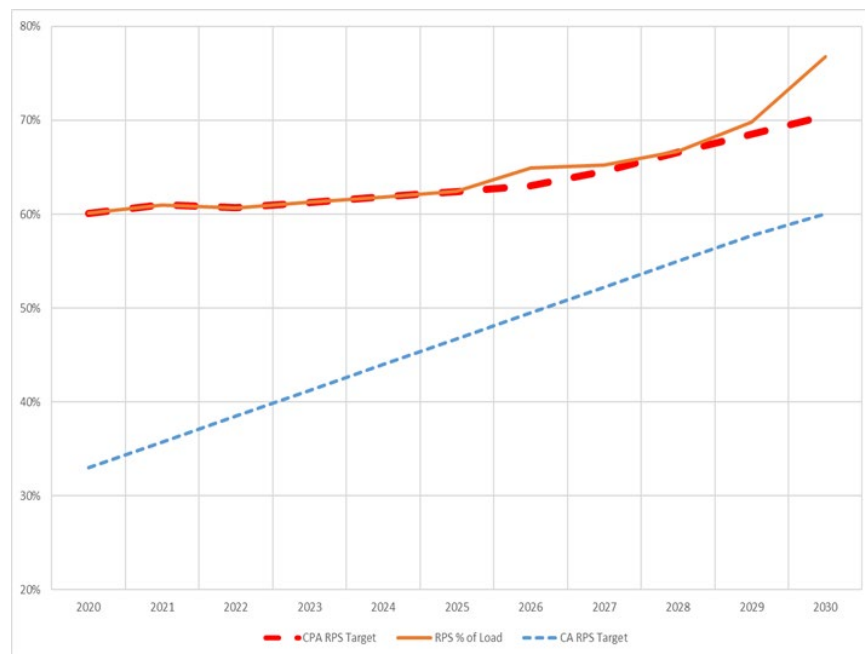


Figure 2: 38 MMT RPS Compliance

(C) Enable each electrical corporation to fulfill its obligation to serve its customers at just and reasonable rates

While this requirement does not apply to CPA as CPA is not an electrical corporation, CPA is committed to serving its customers at reasonable rates. In addition, CPA works to minimize rate volatility by constructing a balanced and conservatively hedged power supply portfolio, building significant financial reserves, and minimizing rate changes when possible. Total system costs for the 46 and 38 MMT conforming portfolios are similar and comparable to CPA's current average costs. The steady projected portfolio costs indicate that CPA ratepayers can expect their rates to receive increasingly clean electricity service at affordable and stable rates.

(D) Minimize impacts on ratepayers' bills

CPA's Preferred Conforming Portfolios meet the goal of minimizing bill impact on ratepayers by optimizing renewable and carbon-free energy procurement. The 46 and 38 MMT Conforming Portfolios identify the lowest cost, bulk power supply portfolio. The cost analysis studies only power supply components of serving retail load; as a CCA, the incumbent IOU is still responsible for transmission and distribution of the energy to the retail level. The cost of procuring the resources selected in the 46 MMT Conforming Portfolio is forecasted to increase CPA's power supply costs at a rate of 1.2% annually between 2020 and 2030, based on 2018 real dollars. The 38 MMT Conforming Portfolio, which requires more amounts of renewables to reduce GHG emissions, will increase power supply costs at a rate of 1.5% annually between 2020 and 2030. Additionally, CPA's portfolios account for the RA benefits of IOU resources that its customers pay through the Cost Allocation Mechanism (CAM). The CPUC adopted the CAM to support the development of new generation resources to ensure electric reliability and which allows the costs and benefits of new generation to be shared by all benefiting customers in an IOU's service territory.

(E) Ensure system and local reliability on both a near-term and long-term basis, including meeting the near-term and forecast long-term resource adequacy requirements

CPA's Preferred Conforming Portfolios meet the requirement of ensuring system and local reliability. For system reliability, CPA used three metrics to assess if CPA's portfolio maintains system reliability. The first method is by evaluating market pricing and CPA portfolio costs under a range of potential scenarios using stochastic analysis. The second is evaluating how CPA's portfolio meets Resource Adequacy capacity to comply with the state's system RA requirement. The third is evaluating curtailment of intermittent resources. The results of both CPA's 46 and 38 MMT cases are reliable. For local reliability, CPA's Preferred Conforming Portfolios place strong emphasis on developing new local capacity to meet the local procurement preference adopted by its Board. CPA's Preferred Conforming Portfolios track closely with the resource mix of the Reference System Plan, ensuring that diverse resources are utilized to meet the grid's reliability needs.

Please see Section III.f of CPA’s 2020 IRP for a more thorough discussion of the System Reliability Analysis.

(F) Ensure that at least 65% of RPS procurement is from long-term contracts

As indicated in the tables below, CPA procures more than the required 65% long-term RPS contracting requirement. This is because CPA’s internal goal is to procure more renewables to meet its customers needs than California RPS targets for its managed retail sales and the long-term RPS contracting requirement refers to the portion of the RPS compliance period renewable requirement that must come from long-term contracts.

SB 350 Compliance, 46 MMT Case

Calendar Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Retail Sales (MWhs)	11,638,526	11,626,141	11,616,135	11,662,943	11,674,928	11,692,635	11,708,167	11,733,036	11,774,535	11,819,588	11,866,630
RPS Requirement (MWhs)	3,840,714	4,040,084	4,239,889	4,461,076	5,136,968	5,378,612	5,854,083	6,101,179	6,358,249	6,618,969	7,119,978
(A) Annual RPS Targets %	33%	35%	37%	38%	44%	46%	50%	52%	54%	56%	60%
(B) 65% Requirement	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
(A*B) Long Term Contracting Compliance Requirement	21%	23%	24%	25%	29%	30%	33%	34%	35%	36%	39%
RPS Compliance from Long Term Contracts	290,036	1,448,535	2,776,115	4,832,356	6,357,411	6,944,951	7,300,833	7,274,284	7,554,144	7,816,473	7,806,148
CPA RPS under LT Contract (% Load)	2%	12%	24%	41%	54%	59%	62%	62%	64%	66%	66%
CPA RPS Under LT Contract	2%	33%			61%			65%			
Compliance Period Requirement		25%			32%			37%			

SB 350 Compliance, 38 MMT Case

Calendar Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Retail Sales (MWhs)	11,638,526	11,626,141	11,616,135	11,662,943	11,674,928	11,692,635	11,708,167	11,733,036	11,774,535	11,819,588	11,866,630
RPS Requirement (MWhs)	3,840,714	4,040,084	4,239,889	4,461,076	5,136,968	5,378,612	5,854,083	6,101,179	6,358,249	6,618,969	7,119,978
(A) Annual RPS Targets %	33%	35%	37%	38%	44%	46%	50%	52%	54%	56%	60%
(B) 65% Requirement	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
(A*B) Long Term Contracting Compliance Requirement	21%	23%	24%	25%	29%	30%	33%	34%	35%	36%	39%
RPS Compliance from Long Term Contracts	290,036	1,447,659	2,773,737	4,821,711	6,338,692	6,921,033	7,543,141	7,520,671	7,800,136	8,196,447	9,007,196
CPA RPS under LT Contract (% Load)	2%	12%	24%	41%	54%	59%	64%	64%	66%	69%	76%
CPA RPS Under LT Contract	2%	33%			63%			70%			
Compliance Period Requirement		25%			32%			37%			

(G) Strengthen the diversity, sustainability, and resilience of the bulk transmission and distribution systems, and local communities

CPA’s Conforming Portfolios rely on procurement from a variety of resource types as well as significant storage resources. CPA carefully evaluates the long-term generation load-matching and congestion risks of new resources and weighs its options in the context of its existing supply and net demand on an hourly basis for the full duration of any contract period. CPA does not include long-duration storage resources in its portfolio currently because the AURORA modeling indicated that such resources do not reflect a cost optimal approach to meeting our load. However, CPA is actively pursuing long-duration storage through its 2020 Clean Energy RFO and 2021 Mid-Term Reliability RFO, pursuant to D.21-06-035. CPA has also developed several customer programs such as demand response and backup power for critical facilities to support clean energy and improve grid resilience.

(H) Enhance distribution systems and demand-side energy management

CPA's Preferred Conforming Portfolios meet the requirement of enhancing demand-side management. Based on CPA's Local Programs for Clean Energy Future Strategic Plan, which was developed through a community outreach process and subsequent Board direction, CPA plans to deploy air pollution mitigation programs in Disadvantaged Communities ("DACs") within its territory, in the following three strategic program areas: resiliency and grid management, building and transportation electrification, and local procurement of distributed energy resources.

CPA actively supports EV charging infrastructure and distributed energy resource activities to meet its renewable energy goals. CPA is partnering with customers to utilize energy storage systems for demand response and/or reliability. Also, CPA's customer programs include Peak Management Program which incentivizes commercial and public agency customers to reduce their energy consumption during periods of grid stress and elevated wholesale energy prices.

(I) Minimize localized air pollutants and other greenhouse gas emissions, with early priority on disadvantaged communities

CPA Conforming Portfolios result in emissions lower than CPA's assigned benchmark. CPA does not procure electricity directly from any natural gas or other fossil resource power plants. CPA's Preferred Conforming Portfolios meet the requirement of minimizing localized air pollutants, with the emphasis on DACs. CPA's portfolios rely primarily on renewable generation for its energy supply and would have low GHG and localized air pollutant emissions. As mentioned above, CPA also plans to deploy air pollution mitigation programs in its DACs to further reduce localized air pollution in its service territory.

CPA is actively involved in Disadvantaged Community Green Tariff (DAC-GT) and Community Solar Green Tariff (CS-GT) programs to promote development of RPS-eligible projects located in DACs. These projects deliver renewable power to CPA's customers while improving air quality, providing economic benefits, and creating hundreds of jobs in the projects' regions. Please refer to Section III.d. below for further details.

FOCUS ON DISADVANTAGED COMMUNITIES

Pursuant to D.22-02-004, CPA provides information on specific DACs it serves. These communities approximately represent a total population of 784,191 ratepayers, or roughly 26% of CPA's total number of customers. The table below shows the specific zip codes within CPA service territory that contain DAC census tracts:

Cities	Zip Codes																							
ALHAMBRA	91801	91803	91805																					
ARCADIA	91006	91007																						
ARTESIA	90703																							
AZUSA	91702																							
BALDWIN PARK	91706																							
BELL	90201																							
BELL GARDENS	90201																							
BELLFLOWER	90706																							
CAMARILLO	93010																							
CARSON	91805	90745	90746	90747	90749	90802	90806	90810																
CERRITOS	90703																							
CITY OF COMMERCE	90040																							
CITY OF INDUSTRY	90601	91715	91744	91745	91746	91748	91789																	
COMMERCE	90022	90023	90040																					
COMPTON	90059	90220	90221	90222																				
COVINA	91722																							
DOWNEY	90240	90241	90242																					
DUARTE	91010																							
EAST LOS ANGELES	90022	90023	90063																					
EAST RANCHO DOMINGUEZ	90221																							
EL MONTE	91731	91732	91733																					
GARDENA	90247	90248	90249																					
GORMAN	93534																							
HACIENDA HEIGHTS	91744	91745																						
HARBOR CITY	90501	90710																						
HAWAIIAN GARDENS	90716																							
HAWTHORNE	90250	90304																						
HUNTINGTON PARK	90001	90255																						
INGLEWOOD	90301	90303	90304																					
IRWINDALE	91706																							
LA CRESCENTA	91214																							
LA MIRADA	90638																							
LA PUENTE	91744	91745	91746																					
LANCASTER	93534	93535																						
LAWDALE	90260																							
LENNOX	90304																							
LONG BEACH	90805	90806	90810																					
LOS ANGELES	90001	90002	90008	90011	90015	90022	90023	90032	90033	90040	90043	90044	90045	90046	90047	90052	90056	90058	90059	90061	90063	90066	90069	
MONROVIA	91016																							
MONTEBELLO	90640																							
MONTEREY PARK	91754																							
MOORPARK	93021																							
MOUNT WILSON	91203																							
NORWALK	90650																							
OXNARD	93030	93031	93032	93033	93035	93036																		
PARAMOUNT	90723																							
PASADENA	91104																							
PICO RIVERA	90660																							
PORT HUENEME	93041																							
RANCHO DOMINGUEZ	90220																							
REDONDO BEACH	90278																							
ROSEMEAD	91770																							
SAN FERNANDO	91340																							
SAN GABRIEL	91775	91776	91778																					
SAN PEDRO	90731	90732																						
SANTA FE SPRINGS	90670																							
SANTA MONICA	90401	90402	90403	90404	90405																			
SIMI VALLEY	93065																							
SOUTH EL MONTE	91733																							
SOUTH GATE	90280																							
SOUTH PASADENA	91030																							
SYLMAR	91342																							
TEMPLE CITY	91780																							
TORRANCE	90501	90502	90504																					
VENTURA	93001	93003	93004																					
VERNON	90058																							
WALNUT PARK	90255																							
WEST HOLLYWOOD	90046																							
WHITTIER	90601	90602	90603	90604	90605	90606	90607																	
WINDSOR HILLS	90043																							

Table 1: DACs served by CPA, by member jurisdictions

In developing its IRP, CPA carefully considered the impact of its resource procurement on DACs. Neither CPA's Conforming Portfolio includes energy contracts for gas generators, including those gas facilities located within or adjacent to DACs. CPA's Conforming Portfolios minimize the use of unspecified CAISO system power, reducing its potential indirect reliance on gas generators that have an impact on DACs.

TIER DESIGNATION

Pursuant to D.22-02-004, this advice letter is submitted with a Tier 2 designation (effective after 30 days).

EFFECTIVE DATE

CPA requests that this Tier 2 Advice Letter ("AL") become effective on May 1, 2022, which is 30 days after the date of this filing.

NOTICE

Anyone wishing to protest this AL may do so by letter via U.S. Mail, facsimile, or electronically, any of which must be received by the Energy Division and CPA no later than 20 days after the date of this AL. Protests should be submitted to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

In addition, protests and all other correspondence regarding this AL should be sent by letter or transmitted electronically to the attention of:

C.C. Song
Director of Regulatory Affairs
Clean Power Alliance of Southern California
801 S. Grand Ave., Suite 400
Los Angeles, CA 90017
Email: csong@cleanpoweralliance.org

There are no restrictions on who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

In accordance with General Rule 4 of GO 96-B, CPA is serving copies of this AL to the interested parties shown on the R.20-05-003 service list. Pursuant to the March 20, 2020 order from Executive Director waiving the hard copy filing requirements for the AL pursuant to GO 96-B Rule 1.3, CPA will not be filing a hard copy of this AL. For changes to these service lists, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at Process_Office@cpuc.ca.gov.